

THE RANCH ASSOCIATION OF OWNERS
-Managed by Lone Star Association Management, Inc.
2500 Legacy Drive, Suite 220
Frisco, Texas 75034

DATE: July 26, 2007
TO: All Ranch Homeowners
FROM: The Ranch Board of Directors
RE: Payment Application Policy

At the Board Meeting held on July 25, 2007, the Board of Directors for The Ranch approved to adopt the attached Resolution relating to a Payment Application Policy

The Payment Application Policy will be the procedure for applying payments on outstanding charges, which might be on a homeowners account if assessments are not paid in a timely manner.

Listed below is the Collection Policy which will be followed in an effort to collect assessments that are past due.

1. Statement Mailed
2. 30 Day Demand Notice after the owner is two (2) months late.
3. 10 Day Notice
4. Send Account to the Collection Agency (90 days with the agency on all accounts that are four (4) months late).
5. Send to Attorney
6. File a lien
7. Foreclosure

If you have any questions regarding this policy please do not hesitate to contact Chris Munsch at Lone Star Association Management, Inc. (469) 9384-2088, extension 105.

Thank you

RESOLUTION

**THE RANCH ASSOCIATION OF OWNERS
(the "Association")**

**POLICY RESOLUTION NUMBER ONE
Relating to Payment Application Policy**

WHEREAS, Article 9, Section 9.9 of the Declaration of Covenants, Conditions & Restrictions for The Ranch (the "Declaration") authorizes the Board of Directors to adopt and amend policies regarding the application of payments; and

WHEREAS, the Board of Directors has determined that it is in the best interests of the Association and the Association's members to adopt the following Payment Application Policy.

NOW, THEREFORE, BE IT RESOLVED that payments received for delinquent homeowners will be applied in the following order:

- a. First, to late fees;
- b. Next, to interest charges;
- c. Next, to handling charges, returned check fees and other collection costs incurred by the Association;
- d. Next, to attorney's fees and related costs advanced by the attorney for and on behalf of the Association;
- e. Next, to delinquent special assessments, then special assessments, then individual assessments (includes fines) and then deficiency assessments;
- f. Next, to delinquent regular assessments;
- g. Next, to outstanding special, then special assessments, then individual assessments (includes fines) and then deficiency assessments, though same may not then be delinquent; and
- h. Last, to outstanding regular assessments, though same may not then be delinquent.

Board of Directors:



President

Amy 

Vice President/Treasurer



Secretary

Date: 7/25/07

Book of Resolutions:

Resolution effective: 7-25-07